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**Idaho Legislative Services Office
Legislative Audits Division**

**DEPARTMENT OF AGRICULTURE
90 DAY FOLLOW-UP**

On October 19, 2009, the Legislative Services Office released an audit report for the Department of Agriculture for fiscal years 2006, 2007, and 2008. The Department was contacted on January 28, 2010, and this report addresses how it has responded to the four findings and recommendations contained in that report.

DEPARTMENT OF AGRICULTURE

FINDING 1

The standards for weights and measures have not been properly calibrated with national parameters as required by Idaho Code.

We recommend that the Department calibrate weights and measures standards with the NIST standards as required by Idaho Code.

AUDIT FOLLOW-UP

The Department calibrated the weights and measures standards, as required, in September 2009.

STATUS – CLOSED

SOIL CONSERVATION COMMISSION

FINDING 2

Requests for loan payments exceeded available funds and delayed payments to borrowers.

We recommend that the Commission develop a comprehensive cash flow schedule and consider the available cash balance when approving loan applications to avoid future delays in loan payments to borrowers.

AUDIT FOLLOW-UP

The Commission developed a cash flow forecast schedule and has begun to summarize the information in the Commission's official meeting minutes. The Commission is in process of formalizing a policy to document communications with borrowers when requests for reimbursements are delayed.

STATUS – CLOSED

FINDING 3

Data in the automated loan system program is inaccurate and inconsistent.

We recommend that the Commission evaluate and adjust the automated system to properly calculate late fees, calculate and report interest correctly, recognize prepayments on loans when received, and bill loans-in-process in accordance with the loan documents. These efforts may require the services of an outside consultant.

AUDIT FOLLOW-UP

The Commission contracted with a consultant to make programming changes to improve the automated loan system. Included in the changes were adjustments to meet the suggestions of our recommendations. The consultant created templates to enter and track loans in the system. The consultant along with the staff is in the process of reviewing loans to determine that accurate tax information was communicated to borrowers.

STATUS – CLOSED

FINDING 4

Weaknesses exist in the internal controls over loan collection activities.

We recommend that the Commission consistently follow internal control policies and procedures over collection activities.

AUDIT FOLLOW-UP

The Commission formally documented standard operating procedures for each staff member. The loan analyst no longer has any involvement with the processing of loan collections. If a loan payment is received and the appropriate staff is not present for processing, the payment is taken to the ISDA fiscal staff where it is deposited into a suspense account. The payment is removed from suspense and processed in the Commission's loan system only when appropriate staff members are present.

STATUS – CLOSED